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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Services
Dairy and Poultry Market News Service

Reporting prices of Ready-to-Cook Poultry

Marketings of ready-to-cook chickens have increased rapidly in the United States in recent years and the bulk of processed chickens is now sold in this form. Selling of ready-to-cook chickens in volume was first started in the southern states a number of years ago and by the early 1950's had spread to most areas except the northeastern states and some far western markets such as San Francisco. In large eastern markets such as New York and Philadelphia there was stiff resistance to accepting ready-to-cook chickens. In the past year however, the volume sold in these markets, as well as in San Francisco, has increased rapidly.

The Dairy and Poultry Market News Service began reporting prices on ready-to cook chickens in markets where market news offices are located, as soon as the volume handled was sufficient to warrant price reporting on a regular basis.

The following material summarizes the development of this phase of the reporting service; indicating levels at which prices are reported; types of concerns making sales or buying at the prices reported; the minimum and maximum volumes included in single lots reported and the point at which buyers take possession. Questionnaires covering the above points were sent to all offices reporting prices on ready-to-cook chickens, and information contained herein is based on their replies.

1. Level at which ready-to-cook chicken prices reported and year reporting started at markets indicated

<u>Market</u>	<u>Delivered to Market</u>	<u>Wholesale Prices</u>	<u>Prices to Retailers</u>
Atlanta	"	"	1949
Chicago	1952	"	"
Cincinnati	1951	"	"
Cleveland	"	"	1950
Detroit	1954	"	"
Los Angeles	"	"	1952
New York City	"	1954	"
Philadelphia	1954	"	"
Pittsburgh	"	"	1952
St. Louis	1952	"	"
San Francisco	"	"	1953
Birmingham	"	"	1950
Columbus	"	"	1952
Seattle	"	"	1951
Portland	"	"	1951

2. Descriptions of Levels of trading Reported:

a Delivered to Market Prices

(1) Description

These are first receivers buying prices for products delivered to a terminal market. Receivers are firms such as poultry distributors (wholesalers and/or jobbers) including packers, large chains and super markets who buy direct from country processing plants, or through a local broker representing a processing plant or plants.

(2) Quantities involved

The maximum quantity included in this price range is a truck or carlot. In case of the former, the actual number of shipping containers varies according to the size of the truck. Smaller quantities are also included in the range, provided they are a part of a larger or mixed shipments or are received by dealers who ordinarily buy sizable quantities. The minimum quantity recognized by any office currently reporting at this level is 20 shipping containers.

b Wholesale prices

(1) Description

These are prices that apply to sales of quantities which according to local custom constitute wholesale business. In the case of ready-to-cook poultry, they include prices paid by chain stores, hotel supply houses and large butchers, on purchases from local first hand receivers of poultry, and from processing plants.

(2) Quantities involved

Wholesale prices are currently reported only at New York City. The maximum quantity included in the range is a car or truck lot, while the minimum is 25 shipping containers.

c Prices to Retailers

(1) Description

These are prices that apply to sales of ready-to-cook poultry made by local processing plants, wholesalers and/or jobbers (including packers), and local representatives of country processing plants, who sell small quantities to individual retail grocers, butchers, hotels and restaurants. Such prices usually include additional services, such as extension of credit and delivery.

(2) Quantities involved

Because of varied marketing practices followed in different cities, it is impossible to assign a definite minimum or maximum, expressed in either pounds or number of containers, that would apply in all cities or to all classes of poultry.

In general, the minimum quantity involved in such a price range would normally be one shipping container. Sales of less than a full container or individual birds are not considered unless they are part of a larger purchase and are sold on a price basis comparable to a full container.

In determining the maximum quantity, the main consideration is that it be representative of quantities that are actually delivered to individual retail stores, and not to retail store warehouses from which stocks are distributed to individual stores. In general, approximately 15 containers are considered a realistic maximum.

3. Point at which Buyer takes Possession

Buyers take possession when the product is delivered to their store or platform. Prices apply at that point, although in some markets, prices to retailers are the same whether the product is picked up at the sellers place of business or delivered to buyers.

Markets where Prices to Retailers Reported

Market	Types of concerns selling at prices reported locally	Types of concerns buying at prices reported locally	Minimum & Maximum volumes included in single lots	Exact point at which buyer takes possession
Atlanta	Local processing plants	Retail stores, independents and chains	100 to 300 lbs.	On buyer's platform at point of first delivery
Cleveland	Jobbers, Brokers and local processors	Hotels, restaurants, independent and chain stores	1 box to 15 boxes	At retailer's door
Los Angeles	Processors and distributors	Retail stores independents and chains	5 doz. to 50 doz.	Delivered to the retail stores
Pittsburgh	Small processors jobbers, packers	Retailers, restaurants institutions, chain stores	1 box to 50 boxes	95% delivered to buyer 5% at selling platform
San Francisco	Local processors Country processors and large packers	Retail markets and stores	1 doz. to 1,500 lbs.	Delivered to buyer's place of business
Birmingham	Country processing plants	Independents and chain stores	No maximum, no minimum	Pick up and delivered prices both same in Birmingham area
Columbus	Local dressing plants which buy live in local areas when available. A few purchases made from Cooperative Associations	Small retailers, restaurants and institutions	Minimum under 2 doz., Maximum 2 doz. or over	Reported price includes both at plant and delivered to buyer with most on a delivered basis
Seattle	Jobbing distributors, independents and Coops	Independent grocer meat market, supermarkets, some chain stores, hotels and restaurants	Cut up fricassee (light type) fowl 6-96 birds. Fresh frozen chickens 12-600 birds	Buyer takes possession at his place of business
Portland	Processing plants	Retail outlets	Minimum 1 box, no maximum	Delivered to buyer's platform.

Markets where Delivered (FOB) Prices Reported

Market	Types of concerns selling at prices reported locally	Types of concerns buying at prices reported locally	Minimum & Maximum volumes included in single lots	Exact point at which buyer takes possession.
Chicago	Country Processing Plants	First Receivers	20 boxes to truck- loads <u>1/</u>	Buyers place of business at point of first delivery
Cincinnati	Country Processing Plants	Poultry Dealers and Chain stores	50 boxes to truck- load <u>1/</u>	Buyers place of business at point of first delivery
Detroit	Country Processing Plants	Poultry dealers which sell Packing houses and brokers	20 boxes to truck- load <u>1/</u>	Buyers place of business or warehouse dock
Philadelphia	Country Processing Plants direct and through local brokers	Chain stores	34 boxes to truck- load <u>1/</u>	Buyers place of business at point of first delivery, in some instances second delivery by agents of Country Plants
St. Louis	Country Processing Plants	Poultry dealers, Meat Packing Plants, load occasionally Chain stores	40 boxes to truck- load <u>1/</u>	Buyers place of business at point of first delivery
<u>Market where wholesale selling prices are reported</u>				
New York	Dealers	Chain stores, butchers and hotel supply houses	From 25 boxes to a truckload	Buyers place of business

1/ Approximately 300 boxes



